

Hawaii Brownfields Cleanup Revolving Loan

Hawaii Island Community Development Corporation



Site History

1862-1973

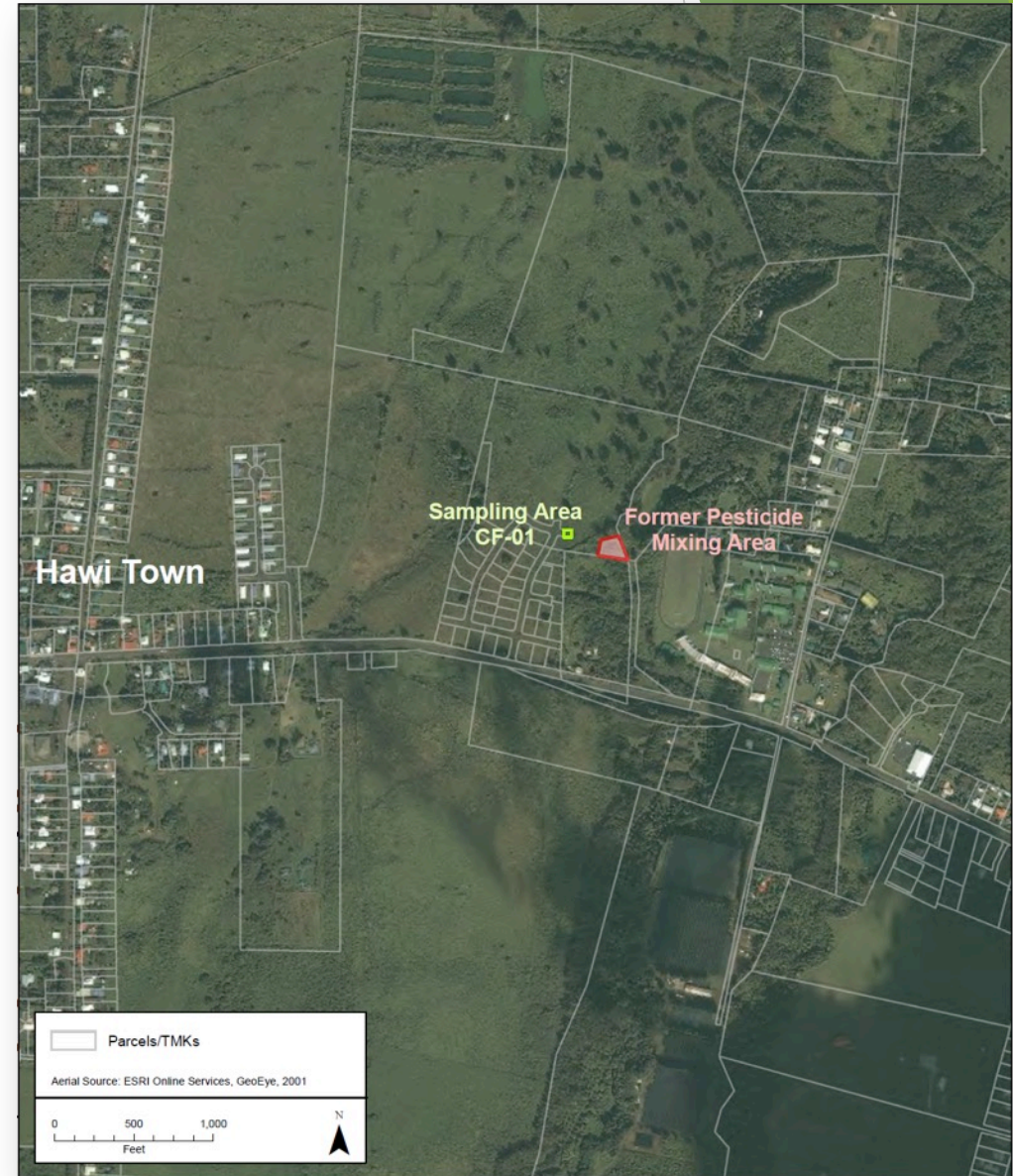
- ▶ Owned by Kohala Sugar Company.
- ▶ Used for for sugar cultivation
- ▶ Part of the site was used as a pesticide storing, mixing and loading site.

1980-2006

- ▶ Owned by Hawaii Conference Foundation
- ▶ Used for cattle grazing.

2006

- ▶ Purchased by Hawaii Island Community Development Corporation (“HICDC”)
- ▶ Used for the development of affordable housing



Land Use

- ▶ Rezoned from agriculture to single-family residential use
- ▶ Subdivided to create 43 parcels
- ▶ Subdivision completed to accommodate 40 single-family lots
- ▶ 40 single-family self-help homes constructed in conjunction with U. S. Department of Agriculture Rural Development programs



Land Use (cont'd)



Contamination & Testing

2009

- ▶ Prompted by contact from former sugar company employees, the State Department of Health (“DOH”) contacted HICDC requesting permission to enter the property to conduct site testing.
- ▶ Initial soil sampling was conducted by the DOH Hazard Evaluation and Emergency Office (“HEER”), which confirmed the presence of contaminated soils that exceeded allowable action levels.



Contamination & Testing (cont'd)

2010-2011

- ▶ Additional site assessment, testing and Phase I/II to determine contamination extent was conducted by an Environmental Protection Agency (“EPA”) contractor - funded by U. S. EPA Targeted Brownfields Assessment grant.



2011

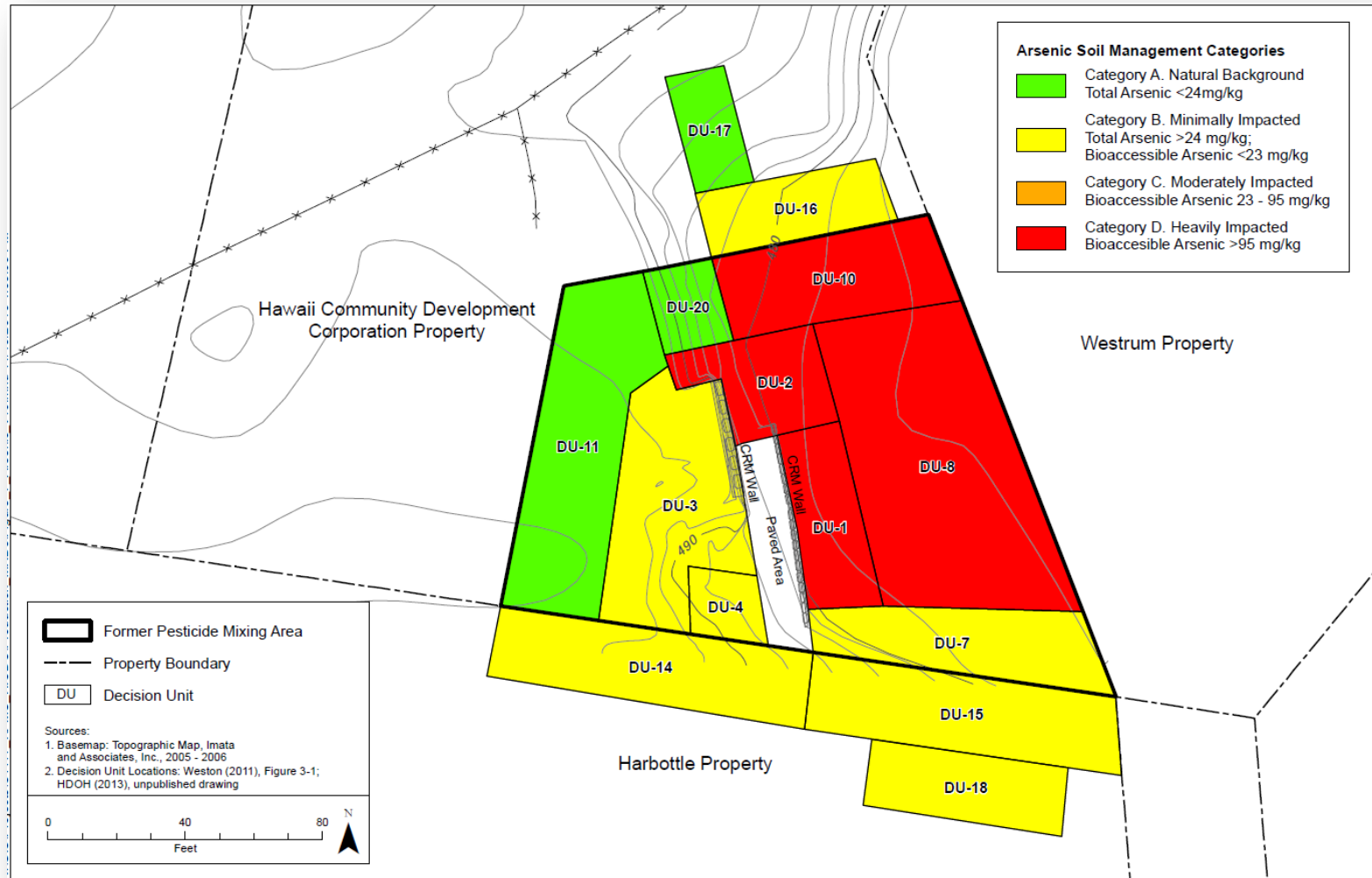
- ▶ HEER conducted additional soil sampling to determine lateral extent of contamination, to better define boundaries of remediation. Result: 0.25 acres contained elevated arsenic and dioxin concentrations to an approximate depth of 3’.



Contamination & Testing (cont'd)



Contamination & Testing (cont'd)



Remediation

2013

- ▶ HICDC assembled an environmental consulting team comprised of Integral Consulting, Inc. and Advanced Compliance Solutions, Inc. (“Team”) to prepare a Removal Action Report, which summarized investigations, provided a data-driven hazard evaluation, and evaluated five (5) remedial alternatives:
 - ▶ No action
 - ▶ Excavation and West Hawaii landfill disposal (\$484,000)
 - ▶ Excavation and mainland landfill disposal (\$1,774,000)
 - ▶ Consolidation and soil capping (\$375,000)
 - ▶ Consolidation and concrete capping (\$364,000)
- ▶ Based on Team review of alternatives and general public input, HEER approved the Team’s proposed remedial action - excavation and West Hawaii landfill disposal.

Financial Resources & Requirements

2014

- ▶ Brownfields Cleanup Grant request submitted to EPA.
 - ▶ Result: **Not approved**
- ▶ Hawaii Brownfields Revolving Loan Fund (“HBRLF”) application submitted to State Department of Business, Economic Development and Tourism (“DBEDT”).
 - ▶ Result: **Approved**

2015

- ▶ HBRLF loan was approved subject to the following initial terms:
 - ▶ Amount: \$592,300.00
 - ▶ Repayment discount: 30%
 - ▶ Administrative fee: <10%
 - ▶ Interest/Fees: \$0
 - ▶ Term: 24 months

Project Implementation

2016

- ▶ A Removal Action Work Plan (“RAWP”) outlining planned removal of contaminated soil was prepared by the Team. The RAWP included the following remedial activities:
 - ▶ Site preparation
 - ▶ Health and safety requirements
 - ▶ Excavation
 - ▶ Loading and hauling
 - ▶ Disposal
 - ▶ Confirmation testing
 - ▶ Site restoration activities
- ▶ A contract encompassing remedial activities was procured and executed with Pearl Contracting, Inc.

Phase 1: Site Preparation

Extraction and removal of storage tanks



Installation of a CMU wall, dust fencing and construction access road



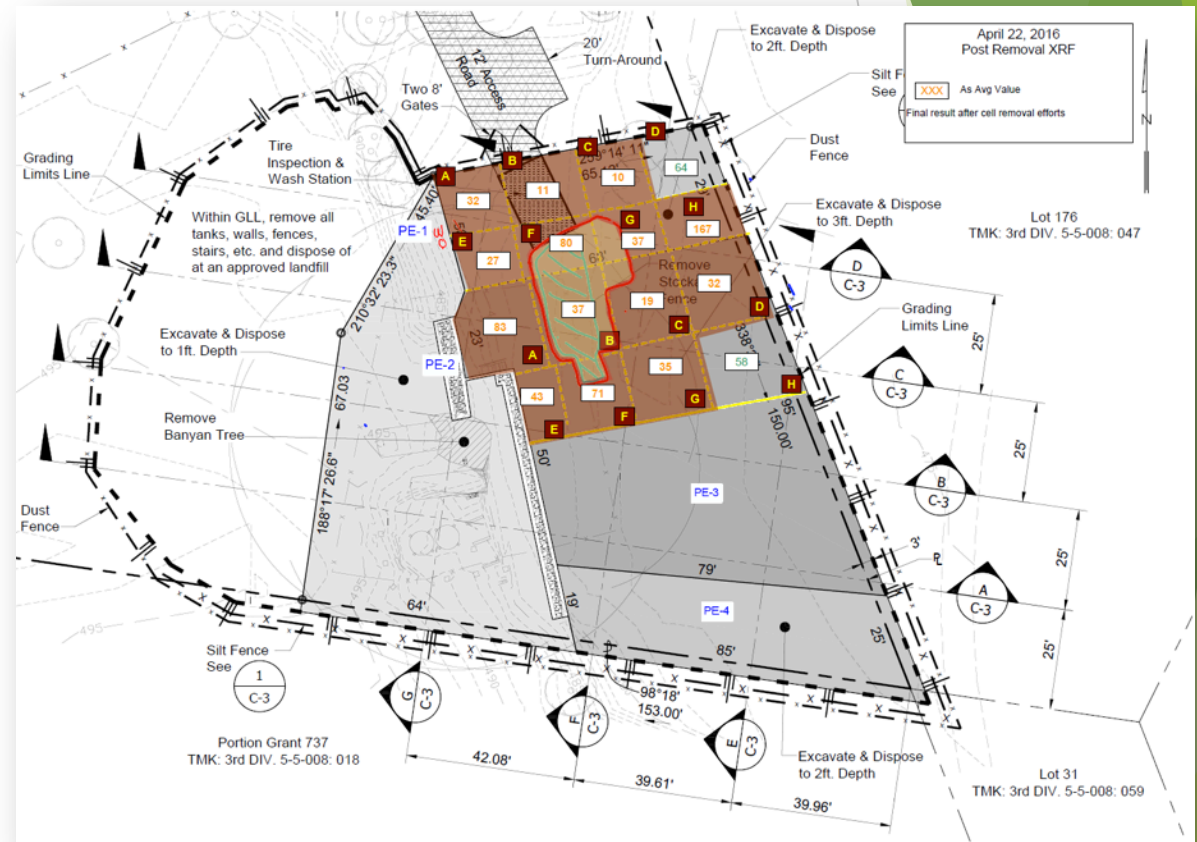
Phase 2: Remediation



Project Challenges

- ▶ Contamination uncertainty
 - ▶ Contractor and subcontractor availability
- ▶ Contamination volumes
 - ▶ Additional excavation
 - ▶ Additional hauling
 - ▶ Additional disposal
 - ▶ Additional standby
 - ▶ Additional demobilization/re-mobilization
 - ▶ Additional restoration
- ▶ Landfill disposal limits
 - ▶ Additional “low production”
 - ▶ Additional hauling

Result: Additional loan funding needed (\$190,093.46)



Phase 3: Restoration



Orchids & Onions

Orchids

- ▶ Loan forgiveness terms
- ▶ Administrative cost allowance
- ▶ Open dialogue
- ▶ Field flexibility
- ▶ Timeline flexibility

Onions

- ▶ Tremendous paperwork
- ▶ Loan disbursement vs. State fiscal year



OFFICE OF PLANNING STATE OF HAWAII

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

DAVID Y. IGE
GOVERNOR
LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING
Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <http://planning.hawaii.gov/>

Ref. No. P-15746

September 19, 2017

Mr. Keith H. Kato, Executive Director
Hawaii Island Community Development Corporation
100 Pauahi Street, Suite 204
Hilo, Hawaii 96720

Dear Mr. Kato:

Subject: Release of Mortgage, Hawi, Hawaii,
Tax Map Key No. (3) 5-5-019: Parcel 25,
Hawaii Island Community Development Corporation (HICDC),
HBCRLF Loan Award 14-02

This is to inform you that the funds sent as payment in full of the loan amount due on the Hawaii Island Community Development Corporation's (HICDC) Hawaii Brownfields Cleanup Revolving Loan Fund Program (HBCRLF) Loan Award 14-02, have been deposited to the HBCRLF special fund account.

In consideration of the repayment of the full loan amount of \$547,675.42 due, OP is transmitting to you the enclosed executed Release of Mortgage document for the subject parcel, which was held as security for the loan. Please provide OP with a copy of the recorded document for our files.

Your loan is now considered closed. Please forward to OP, on an annual basis, a brief status report on progress in completing the Kumakua Affordable Housing Project. You may submit these via email to Ruby Edwards at ruby.m.edwards@hawaii.gov.

We are pleased to have been able to support the cleanup of the project site and wish you success in the completion of the Kumakua project.

Sincerely,


Leo R. Asuncion
Director

Enclosure